



Published by the Division of the Federal Register. The National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. L. 500), under regulations prescribed by the Administrative Committee, with the approval of the President.

The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

The daily issue of the FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for \$1 per month or \$10 per year; single copies 5 cents; payable in advance. Remit by money order payable to Superintendent of Documents, Government Printing Office, Washington, D. C.

Correspondence concerning the publication of the FEDERAL REGISTER should be addressed to the Director, Division of the Federal Register, The National Archives, Washington, D. C.

TABLE OF CONTENTS

Farm Credit Administration:	Page
Production Credit Corporation of Omaha, conversion of Class A stock into Class B stock-----	1085
Federal Power Commission:	
Order for rehearing upon application of: Pacific Gas and Electric Co.-----	1085
Federal Trade Commission:	
Notice of opportunity to offer suggestions or objections, in the matter of proposed trade practice rules for: Concrete Burial Vault Manufacturing Industry-----	1085
Securities and Exchange Commission:	
Adoption of Rules, Regulations and Forms under the Public Utility Holding Company Act of 1935-----	1085
Minor amendments to Rules under Public Utility Holding Company Act of 1935-----	1086
Notices of and orders for hearing, in the matter of: Citizens Utilities Co.-----	1088
Eastern Shore Gas Corp-----	1088
Orders for continuance, in the matter of offering sheet by: Morris, J. M. (Shawver-Erker Farm)-----	1089
Pitts, R. E. (Barnsdall-Sunrise Farm)-----	1089
Pitts, R. E. (Phillips-Glen Ellyn Farm)-----	1089
Orders terminating proceeding after amendment, in the matter of offering sheets by: Bernstein, Louis (Mid-Continent-McKoy Farm)-----	1089
Sessions, Leigh J., Corp. (Tidewater-Shaffer Farm)-----	1090
Suspension orders, etc., in the matter of offering sheets by: Industrial Investment Corp. (Phillips - Rickard Lease)-----	1090
Supreme Oil Inc. (Inland-Howes-Capitol Farm)-----	1090

[Release No. 673]

PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

MINOR AMENDMENTS TO RULES

Acting pursuant to the public Utility Holding Company Act of 1935, and particularly Sections 5 and 20 (a) thereof, and, finding that such action is necessary and appropriate in the public interest, for the protection of investors and consumers, and to carry out the provisions of said Act, the Securities and Exchange Commission hereby amends Rule 5A-3 to read as follows:

Rule 5A-3. Form of Notification of Registration.

Form U5A marked "adopted October 2, 1936" is hereby prescribed as the form for notification of registration filed with the Commission pursuant to Section 5 (a). Every such notification of registration shall be prepared and submitted

in accordance with the instructions for the use of such form incorporated therein.

Acting pursuant to the Public Utility Holding Company Act of 1935, and particularly Sections 5 and 20 (a) thereof, and finding that such action is necessary and appropriate in the public interest, for the protection of investors and consumers, and to carry out the provisions of said Act, the Securities and Exchange Commission hereby amends Rule 5B-1, to read as follows:

Rule 5B-1. Registration Statements—Form and Time of Filing.

Form U5B, marked "Adopted October 2, 1936", is hereby prescribed as the form for registration statements required to be filed with the Commission pursuant to section 5. Every such registration statement shall be prepared and submitted in accordance with the instructions for the use of such form incorporated therein. Every holding company which filed a notification of registration pursuant to section 5 (a) on or before September 1, 1936, shall file with the Commission a registration statement on form U5B on or before December 1, 1936, or within 1 year after the date when its notification of registration became effective, whichever of such dates shall be the earlier. Each holding company which shall file its notification of registration after September 1, 1936, shall file with the Commission a registration statement on Form U5B within 90 days after the filing of such notification of registration, and each company which shall file such a notification prior to becoming a holding company, shall file such statement on Form U5B within 90 days after the date of becoming a holding company, but the Commission, upon a showing of reasonable cause therefor, may extend such time.

Acting pursuant to the Public Utility Holding Company Act of 1935, and particularly Sections 6 (b) and 20 (a) thereof, and, finding that such action is necessary and appropriate in the public interest and for the protection of investors and consumers to carry out the provisions of said Act, the Securities and Exchange Commission hereby amends Rule 6B-1 to read as follows:

Rules 6B-1. Applications by Subsidiaries Concerning Securities Expressly Authorized by State Commissions.

Form U6B-1 marked "adopted October 30, 1936", executed in accordance with the Instructions therefor, is hereby prescribed for applications pursuant to the provisions of Section 6 (b), by subsidiaries of registered holding companies for exemption from the provisions of Section 6 (a) with respect to the issue or sale of securities solely for the purpose of financing the business of such applicants and which have been or will be expressly authorized by the State Commissions of the States in which such applicants are organized and doing business.

Acting pursuant to the Public Utility Holding Company Act of 1935, particularly Sections 7 and 20 (a) thereof, and finding that such action is necessary and appropriate in the public interest and for the protection of investors and consumers and to carry out the provisions of said Act, the Securities and Exchange Commission hereby amends Rule 7A-1 to read as follows:

Rule 7A-1. Form of Declarations.

Declarations pursuant to Section 7 in respect of the issue or sale of any security of a registered holding company or subsidiary company thereof, or of the exercise by any such company of any privilege or right to alter the priorities, preferences, voting power or other rights of the holders of an outstanding security of any such company shall comply with Form U-7 and Instructions for Form U-7, dated April 9, 1936, and shall contain the information therein specified.

Acting pursuant to the authority conferred upon it by the Public Utility Holding Company Act of 1935, particularly Section 10 and 20 (a) thereof, and finding that such action is necessary and appropriate in the public interest and for the protection of investors and consumers and to carry out

the provisions of said Act, the Securities and Exchange Commission hereby amends Rule 10A-1 to read as follows:

Rule 10A-1. Form of Applications for Approval of Acquisitions.

(a) Applications for the approval of the acquisition of securities pursuant to Section 10 shall comply with Form U-10-1 and the Instructions for Form U-10-1, dated April 9, 1936, and shall contain the information therein specified.

(b) Applications for the approval of the acquisition of utility assets or of any other interest in any business pursuant to Section 10 shall comply with Form U-10-2 and the Instructions for Form U-10-2, dated April 9, 1936, and shall contain the information therein specified.

Acting pursuant to the Public Utility Holding Company Act of 1935, and particularly Sections 13, 3 (d) and 20 (a) thereof, and finding it necessary and appropriate in the public interest and for the protection of investors and consumers, the Securities and Exchange Commission hereby amends Rule 13-3A, to be designated Rule 13-3, and to read as follows:

Rule 13-3. Temporary Exemption From Section 13.

(a) Every registered holding company shall be exempt from the provisions of Section 13 and the rules and regulations adopted thereunder for a period of 30 days after the date when such company shall first become a registered holding company, and every subsidiary of such a registered holding company and every company principally engaged in performing services or construction for, or making sales to, associates of such registered holding company shall likewise be exempt from such provisions for said period: *Provided*, That, during such period, such company shall comply with the provisions of Rule 13-31 with respect to the performance of services or construction for associate companies on the basis of cost and with the provisions of Rule 13-40 with respect to sales of goods produced by the seller. As to any company principally engaged in performing services or construction for, or selling goods to, associate companies, such exemption shall expire on the first day of the calendar month immediately succeeding the effective date of such registration unless on and after the first day of such month all accounts and records of such company with respect to such matters shall be maintained in accordance with the provisions of Rule 13-50 or other rule of the Commission with respect to the accounts and records of mutual service companies and subsidiary service companies.

(b) If, within said period of 30 days after registration of any such holding company, or 30 days after the date of its becoming a holding company in the event of such company filing a notification prior to becoming a holding company, an application or a declaration pursuant to Rule 13-22 shall be filed with the Commission by or on behalf of any company desiring to perform services or construction for, or make sales of goods to, associate companies in such holding-company system, such applicant or declarant may, to the extent set forth in such document, perform services or construction for, or make sales of goods to, such companies until the Commission shall take final action on such application or declaration: *Provided, however*, That, during such period, such applicant or declarant shall comply with all provisions of the Act and of the rules and regulations thereunder that would have been applicable to it if the Commission had previously taken favorable action on such application or declaration.

Acting pursuant to the Public Utility Holding Company Act of 1935, and particularly Section 13 and 20 (a) thereof, and finding that certain amendments to Rules 13-11 and 13-21 are necessary and appropriate in the public interest and for the protection of investors and consumers, the Securities and Exchange Commission hereby amends Rules 13-11 and 13-21 to read as follows:

Rule 13-11. Service, Sales and Construction by Registered Holding Companies.

Subject to compliance with the provisions of such rules, regulations, or orders of the Commission as may be applicable (including Rule 13-31) a registered holding company

may perform services or construction for, or sell goods to, an associate company thereof, which is a public utility company, a mutual service company, or a company engaged in the business of performing services or construction for, or selling goods to, associate public-utility companies, and such transaction shall be exempt from the provisions of Section 13 (a) of the Act, if-

(a) such holding company is principally engaged in the business of an operating electric or gas utility company, or any business or businesses other than that of selling goods to associate companies, that of performing services or construction, that of a holding company or fiscal or financing agency of a holding company, or that of an investment company or investment trust; and incidentally to such business, performs such services or construction or sells such goods; or

(b) such services, construction, or goods are reasonably required by such associate to meet a break-down or other emergency, and the parties believe in good faith that, under the conditions then existing, such transaction will be to the advantage of such associate; or

(c) such transaction consists of performance of a contract made before August 26, 1935, for the construction of a specific project, building, or unit, pursuant to which contract substantial expenses were incurred before August 26, 1935; or

(d) such transaction consists of the sale, at not more than cost less depreciation, of goods purchased by such holding company for its own use; or

(e) such transaction consists of a sale of goods which is merely incidental to a sale of an entire business or a substantial portion thereof, or to a sale of assets other than goods; or

(f) such transaction, although not exempted by any of the foregoing subparagraphs of this Rule, is not in the regular course of business of such holding company and does not involve a cost to the associate of more than \$2,500 including the cost to such associate of all previous transactions with such holding company consummated in the same fiscal year which were exempted only by this subparagraph (f).

Rule 13-21. Subsidiaries Authorized to Perform Services or Construction or to Sell Goods.

(a) Subject to compliance with the provisions of such rules, regulations, or orders of the Commission as may be applicable (including Rule 13-31) the following classes of subsidiary companies of registered holding companies may perform services or construction for, or sell goods to, associate companies thereof:

(1) an approved mutual service company;

(2) a subsidiary company whose organization and conduct of business the Commission has found, pursuant to Rule 13-22, sufficient to meet the requirements of Section 13 (b) of the Act;

(3) a subsidiary company which is principally engaged in the business of an operating electric or gas utility company, or any business or businesses other than that of selling goods to associate companies, that of performing services or construction, that of a holding company or fiscal or financing agency of a holding company, or that of an investment company or investment trust; and which, incidentally to such business, performs such services or construction or sells such goods.

(b) Any subsidiary of a registered holding company whether or not it is a company specified in subparagraph (1), (2) or (3) above, may perform services or construction for, or sell goods to, an associate company thereof, if:

(1) such associate company is not an electric or gas utility company, and is principally engaged in a business or businesses other than that of a holding company or fiscal or financing agency of a holding company, or that of an investment company or investment trust; or

(2) such services, construction, or goods are reasonably acquired by such associates to meet a break-down or other emergency, and the parties believe in good faith that, under the conditions then existing, such transaction will be to the advantage of such associate; or

(3) such transaction consists of performance of a contract made before August 26, 1935, for the construction of a specific project, building, or unit, pursuant to which contract substantial expenses were incurred before August 26, 1935; or

(4) such transaction consists of the sale, at not more than cost less depreciation, of goods purchased by such subsidiary company for its own use; or

(5) such transaction consists of a sale of goods which is merely incidental to a sale of an entire business or a substantial portion thereof, or to a sale of assets other than goods; or

(6) such transaction consists of a sale of goods produced by the seller.

(c) This rule shall not be applicable to a subsidiary which is itself a registered holding company. Such company may perform services or construction for, or sell goods to, associate companies as provided in Rule 13-11.

Acting pursuant to the authority conferred upon it by the Public Utility Holding Company Act of 1935, and particularly Sections 17 (c) and 20 (a) thereof, and finding that certain amendments to Rule 17C-9 are necessary and appropriate and will not adversely affect the public interest or the interest of investors or consumers, the Securities and Exchange Commission hereby amends Rule 17C-9 so that the same shall read as follows:

Rule 17C-9. Filing of Statements with Respect to Certain Rules.

Each registered holding company or subsidiary of a registered holding company which has as an officer or director any person who has any financial connection which would make it unlawful for him to hold such position except for Rules 17C-4, 17C-7, or 17C-8 shall within 30 days after registration of such holding company (or if such person is not then such an officer or director, within 30 days after he becomes such) file with the Commission a statement signed by such person, setting forth the facts by virtue of which it is deemed that such rule or rules are applicable. Similar statements shall also be filed within 30 days subsequent to each annual meeting of such company thereafter while such person remains an officer or director and continues such financial connection. A company having several such officers or directors may file a single statement signed by all of them. No form is prescribed for such statement. One original only need be filed, but, if acknowledgment is desired, a duplicate should also be filed.

Effective May 13, 1937.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1551; Filed, May 26, 1937; 12:44 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 26th day of May, A. D. 1937.

[File No. 47-12]

IN THE MATTER OF CITIZENS UTILITIES COMPANY

NOTICE OF AND ORDER FOR HEARING

An application having been duly filed with this Commission, by Citizens Utilities Company, a registered holding Company, pursuant to Section 10 of the Public Utility Holding Company Act of 1935, for approval of the acquisition by applicant of all the assets and business of its wholly owned subsidiary, Newport Electric Corporation, an electric utility operating in the northern part of the State of Vermont, with distribution lines extending into a small portion of the Province of Quebec, Canada, the consideration for such acquisition being the surrender for cancellation of all the capital stock of Newport Electric Corporation, the cancellation of all indebtedness of such company

held by applicant and the assumption by applicant of liability on all the obligations of such company;

It is ordered that a hearing on such matter be held on June 4, 1937, at 11 o'clock in the forenoon of that day at Room 1101, Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C.; and

Notice of such hearing is hereby given to said party and to any interested State, State commission, State securities commission, municipality, and any other political subdivision of a State, and to any representative of interested consumers or security holders, and any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before June 3, 1937.

It is further ordered that Robert P. Reeder, an officer of the Commission, be and he hereby is designated to preside at such hearing, and authorized to adjourn said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

Upon the completion of the taking of testimony in this matter, the officer conducting said hearing is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1543; Filed, May 26, 1937; 12:42 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 26th day of May, A. D. 1937.

[File No. 46-57]

IN THE MATTER OF THE APPLICATION OF EASTERN SHORE GAS CORPORATION

NOTICE OF AND ORDER FOR HEARING

An application having been duly filed with this Commission, by Eastern Shore Gas Corporation, an affiliate of The Eastern Shore Gas Company and Eastern Shore Gas Company of Virginia, Incorporated, pursuant to Section 10 (a) (1) of the Public Utility Holding Company Act of 1935, for approval of the acquisition by applicant of 173 shares of common stock (in exchange for 346 shares of applicant's common stock) and 1024 shares of preferred stock (in exchange for 1126.4 shares of applicant's preferred stock and 563.2 shares of applicant's common stock) of The Eastern Shore Gas Company and of 6 shares of common stock (in exchange for 12 shares of applicant's common stock) and 20 shares of preferred stock (in exchange for 110 shares of applicant's preferred stock and 55 shares of applicant's common stock) of Eastern Shore Gas Company of Virginia, Incorporated; all the other shares of each of said two companies now being owned by applicant.

It is ordered that a hearing on such matter be held on June 15, 1937, at 10:00 o'clock in the forenoon of that day at Room 1101, Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C.; and

Notice of such hearing is hereby given to said party and to any interested State, State commission, State securities commission, municipality, and any other political subdivision of a State, and to any representative of interested consumers or security holders, and any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is re-

quested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before June 10, 1937.

It is further ordered that Robert P. Reeder, an officer of the Commission, be and he hereby is designated to preside at such hearing, and authorized to adjourn said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compell their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

Upon the completion of the taking of testimony in this matter, the officer conducting said hearing is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1542; Filed, May 26, 1937; 12:42 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 25th day of May, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST
IN THE SHAWVER-ERKER FARM, FILED ON MAY 4, 1937, BY
J. M. MORRIS, RESPONDENT

ORDER FOR CONTINUANCE

The Securities and Exchange Commission, having been requested by its counsel for a continuance of the hearing in the above entitled matter,¹ which was last set to be heard at 10:00 o'clock in the forenoon on the 26th day of May, 1937, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and it appearing proper to grant the request;

It is ordered, pursuant to Rule VI of the Commission's Rules of Practice under the Securities Act of 1933, as amended, that the said hearing be continued to 10:00 o'clock in the forenoon on the 10th day of June, 1937, at the same place and before the same trial examiner.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1547; Filed, May 26, 1937; 12:43 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 25th day of May, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST
IN THE BARNSDALL-SUNRISE FARM, FILED ON MAY 3, 1937, BY
R. E. PITTS, RESPONDENT

ORDER FOR CONTINUANCE

The Securities and Exchange Commission, having been requested by its counsel for a continuance of the hearing in the above entitled matter,¹ which was last set to be heard at 10:00 o'clock in the forenoon on the 25th day of May, 1937, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and it appearing proper to grant the request;

It is ordered, pursuant to Rule VI of the Commission's Rules of Practice under the Securities Act of 1933, as amended, that the said hearing be continued to 2:00 o'clock

in the afternoon on the 9th day of June, 1937, at the same place and before the same trial examiner.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1548; Filed, May 26, 1937; 12:43 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 25th day of May, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST
IN THE PHILLIPS-GLEN ELLYN FARM, FILED ON MAY 3, 1937,
BY R. E. PITTS, RESPONDENT

ORDER FOR CONTINUANCE

The Securities and Exchange Commission, having been requested by its counsel for a continuance of the hearing in the above entitled matter,¹ which was last set to be heard at 10:00 o'clock in the forenoon on the 25th day of May, 1937, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and it appearing proper to grant the request;

It is ordered, pursuant to Rule VI of the Commission's Rules of Practice under the Securities Act of 1933, as amended, that the said hearing be continued to 2:00 o'clock in the afternoon on the 9th day of June, 1937, at the same place and before the same trial examiner.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1548; Filed, May 26, 1937; 12:44 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 25th day of May, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST
IN THE MID-CONTINENT-MCKOY FARM, FILED ON MAY 8,
1937, BY LOUIS BERNSTEIN, RESPONDENT

ORDER TERMINATING PROCEEDING AFTER AMENDMENT

The Securities and Exchange Commission, finding that the offering sheet filed with the Commission, which is the subject of this proceeding, has been amended, so far as necessary, in accordance with the Suspension Order previously entered in this proceeding;²

It is ordered, pursuant to Rule 341 (d) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the amendment received at the office of the Commission on May 19, 1937, be effective as of May 19, 1937; and

It is further ordered that the Suspension Order, Order for Hearing and Order Designating a Trial Examiner, heretofore entered in this proceeding, be and the same hereby are revoked and the said proceeding terminated.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1549; Filed, May 26, 1937; 12:44 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 25th day of May, A. D., 1937.

¹ 2 F. R. 981.

² 2 F. R. 970.

¹ 2 F. R. 970.

² 2 F. R. 994.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST
IN THE TIDEWATER-SHAFFER FARM, FILED ON MAY 11, 1937,
BY LEIGH J. SESSIONS CORPORATION, RESPONDENT

ORDER TERMINATING PROCEEDING AFTER AMENDMENT

The Securities and Exchange Commission, finding that the offering sheet filed with the Commission, which is the subject of this proceeding, has been amended, so far as necessary, in accordance with the Suspension Order previously entered in this proceeding;¹

It is ordered, pursuant to Rule 341 (d) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the amendment received at the office of the Commission on May 22, 1937, be effective as of May 22, 1937; and

It is further ordered that the Suspension Order, Order for Hearing and Order Designating a Trial Examiner, heretofore entered in this proceeding, be and the same hereby are revoked and the said proceeding terminated.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1550; Filed, May 26, 1937; 12:44 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 25th day of May, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST
IN THE PHILLIPS-RICKARD LEASE, FILED ON MAY 20, 1937, BY
INDUSTRIAL INVESTMENT CORP., RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A))
AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

(1) In that the total production of oil from the tract, as set forth in Division II, Item 15, may not be correct, and does not agree with the gross production of oil as set forth by months in Division II, Item 16 (a);

(2) In that the legal description of the property, required to be given in Exhibit A, is incomplete;

NOTE.—In instances where portions of property contained in a block subject to a community lease are being offered for sale, it is suggested that a description of all of the lots in which interests might be offered be included in the legal description set forth in Exhibit B, and that an explanatory note be inserted to the effect that it is the intention of the offeror to offer interests only in portions of the entire property, but that such interests are entitled to participate in the total production from the tract involved on a prorata basis, by reason of the participation which said interest has under the community lease affecting the tract.

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 24th day of June, 1937; that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered that Charles S. Lobingier, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing,

and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered that the taking of testimony in this proceeding commence on the 9th day of June, 1937, at 2:30 o'clock in the afternoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1544; Filed, May 26, 1937; 12:43 p. m.]

*United States of America—Before the Securities
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 25th day of May, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST
IN THE INLAND-HOWES-CAPITOL FARM, FILED OF MAY 20,
1937, BY SUPREME OIL INC., RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A))
AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

(1) In that the number of barrels of oil which must be produced before the smallest fractional interest proposed to be offered will be entitled to receive one barrel, as set forth in Division II, Item 1, is not correct;

(2) In that the statement made in Division II, Item 9 (b), relative to whether or not the royalty is perpetual, may not be correct, and does not appear to agree with information disclosed by Exhibit B;

(3) In that in Division II, Item 11 (c), the amount of taxes required to be given is omitted;

(4) In that the statement contained in Division II, Item 13, that "there are practically no dry holes within the producing area, which has resulted in a closer development than is ordinarily found", is not believed to be correct by reason of the fact that there are comparatively large areas within the field that have not been drilled, and therefore the statement made may be misleading;

(5) In that the statement relative to the number of producing wells in the north extension of the Oklahoma City field, as set forth in Division II, Item 13, is not believed to be correct; nor is the legal description of the property, as contained in this item, believed to be correct by reason of the fact that it is in conflict with the legal description contained in Exhibit B, and does not agree with the information given in Exhibit A;

(6) In that the date as of which the gross production of oil is disclosed in Division II, Item 16 (a), is omitted;

(7) In that the figures given in Division II, Items 16 (c) and (d), are not believed to be correct;

(8) In that the statement made in Division II, Item 16 (f), is not correct;

(9) In that the statement made in Division II, Item 19, is not intelligible, and for that reason may prove to be misleading.

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 24th day of June, 1937; that an opportunity for hearing be given to the said respondent for the purpose of determining

¹ 2 F. R. 1031.

the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered that Charles S. Lobingier, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered that the taking of testimony in this proceeding commence on the 9th day of June, 1937, at 3:00 o'clock in the afternoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Ave-

nue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-1545; Filed, May 26, 1937; 12:43 p. m.]

NOTICE

Schedules A to F, inclusive, referred to in Regulation B, entitled, "Exemptions relating to fractional undivided interests in oil or gas rights", which was issued by the Securities and Exchange Commission and printed in the FEDERAL REGISTER for May 26, 1937 (F. R. Doc. 37-1517), were filed with the Division of the Federal Register, The National Archives.

